

The Role of Government in the Development of Small and Medium Forest Enterprises: Case Studies from The Gambia

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Abstract Small and medium forest enterprises (SMFEs) can contribute to poverty reduction, while promoting the sustainable use of forests. Governments have a fundamental role to play in generating the conditions necessary for these enterprises to emerge and develop. Unfortunately, the business environment in many countries is unsuitable for SMFEs. That said, The Gambia has been cited as a positive example in terms of providing an enabling environment for community forestry and as being a country where SMFEs are emerging. This qualitative research employed a multiple case study approach to examine the role of The Gambian government in catalyzing the development of SMFEs. Specifically, 16 enterprises that focus on five different activities were selected to shed light on the aspects of government activities that have either enabled or constrained them. Data indicate that The Gambian government has had a positive impact on various SMFEs with respect to the transfer of land tenure to local communities, coupled with the implementation of capacity building and support activities. However, there is room for improvement as wood-related enterprises revealed being affected by significant challenges such as corrupt practices, illegal activities and deficient enforcement.

Keywords Small and medium forest enterprises · Government · Decentralization · Capacity building · Enforcement

Abbreviations

SMFE Small and medium forest enterprise
MA&D Market analysis and development
CF Community forest

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Introduction

Small and medium forest enterprises (SMFEs) can play an important role in promoting the sustainable use of forests, and can be a strategic mechanism for reducing poverty (Donovan et al. 2006; Kozak 2007; Spantigati and Springfors 2005). For the purposes of this paper, SMFEs are characterized as small forest-based enterprises engaged in economic activities that occur mostly at the domestic level, usually employ family members as labor, take place mainly in rural areas, use simple technologies and are generally seasonal (Spantigati and Springfors 2005). They can produce a great variety of goods from timber and wood commodities to non-timber forest products, and can even trade ecosystem services (Kozak 2007; Macqueen 2008; Osei-Tutu et al. 2010). Common examples of SMFEs around the world include carpentry shops, fuel wood producers, furniture makers, resin producers, carbon traders and ecotourism providers, among many others (Macqueen 2008).

Kozak (2007) notes that an essential characteristic of SMFEs is that they tend to be deeply connected with the communities in which they operate, since they generate a variety of benefits for local populations. These enterprises can directly contribute to the well-being and livelihoods of forest-based communities by offering employment, empowering communities (Osei-Tutu et al. 2010), generating alternative sources of income and creating local wealth (May et al. 2003; Donovan et al. 2006; Kozak 2007; Macqueen 2010). Besides these socio-economic benefits, SMFEs are also a promising option for the long-term maintenance of forests, since vested communities tend to manage their forests in more sustainable and conservation-oriented ways (Donovan et al. 2006; Kozak 2007; Macqueen 2007a).

SMFEs are widespread throughout the world, and they play a central role in the forest sector of many countries (Kozak 2007; Macqueen 2008). Some estimates indicate that they represent more than 80% of forest-based businesses in many developing countries, accounting for more than half of the employment generated in this sector (Kozak 2007, Macqueen 2008). For instance, in Ghana, SMFEs provide direct and indirect income to approximately three million people (Osei-Tutu et al. 2010). In Brazil, more than 98% of wood processing and furniture producers are small- or medium-sized (May et al. 2003).

Although SMFEs can generate a significant impact in the forest sectors of many developing economies, they are faced with several challenges that threaten their ability to develop and grow. They frequently occur in policy environments with excessive bureaucracies (Molnar et al. 2007), a lack of stable regulations and poor infrastructure (Macqueen 2007a). Often, a clear and secure ownership over forest resources is lacking, and, thus, SMFEs must also contend with great uncertainty over access to raw materials (Spears 2006; Kambewa and Utila 2008), frequently experiencing shortages (Spantigati and Springfors 2005). A great number of SMFEs carry out their operations within the informal sector (Mayers 2006; Kozak 2007). They also tend to operate with poor market information, low negotiating power, deficient business skills and technological limitations (Spantigati and Springfors 2005; Macqueen 2007a). One of the greatest restrictions, however, relates to a shortage of finance and problems accessing credit (Auren and Krassowska 2004; Spantigati and Springfors 2005; Macqueen 2007a).

Local and national governments have an essential role to play in enabling a sound business climate with adequate regulations to promote investment, employment and economic development (IFC 2006). In the forest sector, governments have the ability to grant enterprises legal and secure access to forest resources through the implementation of clear land tenure policies. They can simplify bureaucratic procedures to promote compliance with laws (Donovan et al. 2006; FAO 2006; White et al. 2007) and decrease the occurrence of discretionary decisions by authorities and forest users (FAO 2006). Additionally, they can promote formality within the sector, which is generally a prerequisite for enterprises seeking credit from financial institutions, enforcing contracts and property rights, and being legally protected by the state (Levenson and Maloney 1998; De Paula and Scheinkman 2007). Governments can also curb overexploitation and illegal harvesting, thereby reducing illegal competition (Donovan et al. 2006). Lastly, they can apply fair taxation and regulations for forest-based businesses of all kinds, thus precluding the prioritization of large-scale enterprises seen in many parts of the world (Macqueen 2007b). Political and legal reforms in the forest sector are complex; therefore, generating an enabling environment for SMFEs requires the combined effort of several actors and government departments (Macqueen 2008).

Governments around the world can also promote or impede the development of SMFEs through the adoption of different policies and regulations. For example, SMFEs in El Petén, Guatemala have benefited from the establishment of a clear political framework that has granted them secure access to forest resources through the establishment of 25-year concessions (Stoian et al. 2009; Macqueen 2010). In China, forest enterprises have been supported by the government, through the elaboration of favourable policies, such as a tenure reform that has devolved forest lands to households, thus promoting long-term sustainable forest management (Luo et al. 2009). In contrast, forest enterprises in Malawi have been constrained by, among other reasons, excessive government bureaucracy, corruption by public officials during the transportation of products and ambiguous access to resources (Kambewa and Utila 2008). And in Brazil, a complex legal framework, along with government bureaucracy, impedes communities from obtaining management plans to legally harvest their forests (Hajjar et al. 2011). The role of government is so fundamental and can have such impacts that Macqueen (Macqueen 2010, p. vi) has noted that the business environment in many contexts is often “stacked against SMFEs.”

That said, six countries stand out as promising examples for the development of SMFEs, especially with regards to community forest enterprises¹: China, The Gambia, Guatemala, Mexico, Nepal and South Africa (Macqueen 2010). Moreover, Donovan et al. (2006) cite Mexico, Peru, Burkina Faso and The Gambia, among others, as countries where SMFEs are emerging. The focus of this paper is on The Gambia, specifically examining the role of its government in catalyzing the development of small forest-based enterprises. By identifying the factors that

¹ Community forest enterprises are a specific type of SMFE (Kozak 2007). They are generally managed by indigenous peoples or local communities (Molnar et al. 2007) and distribute their revenues within the communities in which they operate (Kozak 2007).

contribute to the development of SMFEs in this region from a local perspective, this research sets out to increase our understanding about the role and the impacts that governments can and do have in generating enabling environments for small forest-based enterprises operating in the developing world.

Methods

Study Site

The Gambia is one of the smallest nations in Africa and is also one of the most densely populated countries in Sub-Saharan Africa (Bojang 2001). Its forests comprise more than 40% of its territory, but mostly consist of degraded trees and shrub savannah (FAO 2005; Thoma and Camara 2005; Macqueen 2010). In the last century, the forested area decreased mainly due to the expansion of farmlands, fires and forest overexploitation (FAO 2005). This situation was partly the result of a top-down forest management approach by the state (Thoma and Camara 2005).

Since the 1990s, the government's Forestry Department has transformed its approach to become one of the pioneering countries in Africa in implementing participatory forest management (FAO 2005; Thoma and Camara 2005). The community forestry (CF) concept in The Gambia began in 1991. This gradual transfer of ownership of forest ecosystems to local communities had the aim of gaining communities' interest in the conservation and sustainable use of forest resources. Each CF is administered by a committee designated by villagers, which is responsible for creating the by-laws that regulate the access and use of the forest. By 2005, 7% of Gambian forests were privately owned by local communities (Lamin et al. 2010), with approximately 260 villages involved in this initiative (Thoma and Camara 2005).

The Forestry Department, with the support of the Food and Agriculture Organization of the United Nations (FAO), also implemented the Market Analysis & Development (MA&D) methodology in some CF villages, with the purpose of promoting the development of local forest-based businesses. This tool, developed by the FAO, aids communities in planning small-scale forest-based businesses. It is carried out in three consecutive stages: (1) assessment of the existing situation, where forest resources and their commercial capabilities are evaluated, among other activities; (2) identification of products, markets and means of marketing; and (3) enterprise planning. The MA&D also explicitly takes into account social, environmental, market and technological aspects of sustainability. By 2005, 26 communities had incorporated this tool, resulting in the development of 72 community-based enterprises that produce and trade 11 different products (FAO 2005; Thoma and Camara 2005; Bruni and Grouwels 2007).

Research Methods

This qualitative research employed a multiple case study approach to assess the extent of the government's role in catalyzing the development of SMFEs in The

Table 1 Types of SMFEs and number of cases included in this study

Type of SMFEs	Villages				Total
	A	B	C	D	
Firewood	+		+	+	3
Ecotourism		+			1
Beekeeping		+		+	4
Handicrafts				+	1
Branch-wood	+		+	+	7
Total	4	2	3	7	16

+ denotes one case

Gambia. While this research was limited to the Western region of the country,² it aimed to include the widest variety of SMFEs possible. SMFEs were purposively selected according to their geographic location and the forest products/services that they sold or traded. In total, 16 enterprises that focus on five different activities and operate in four different villages³ were selected. Table 1 details the type of enterprises studied and the distribution of cases among the villages. Table 2 details the activities carried out by each type of enterprise.

As Table 2 illustrates, the SMFEs included in this study vary greatly according to the activity in which they are engaged. For instance, firewood and branch-wood producers utilize wood as their primary raw material, while ecotourism and beekeeping businesses benefit from forest services, and the handicrafts entrepreneur mainly uses non-timber forest products.

Data were collected between February and March of 2010. A total of 23 semi-structured interviews were carried out one-on-one with village leaders, representatives of Village Development Committees and owners of enterprises and/or enterprise members. In addition, six focus groups, an effective means of interviewing various individuals at the same time (Babbie 2007), were conducted with members of some SMFEs. Specifically, there were two focus groups with branch-wood enterprises, three with firewood enterprises and one with the ecotourism camp. A deductive analysis of the literature on SMFEs in developing economies enabled the identification of several initial key themes. These themes, used to structure and guide the interviews and focus group discussions, included: policies and regulations affecting enterprises; factors that have enabled their development; and challenges facing their operations. Data from the interviews and focus groups were complemented with a review of gray literature pertaining to enterprise activities and with field notes based on observations of the SMFEs. These additional records were important because they allowed for the triangulation of data (Yin 2009) and provided pertinent contextual information.

² This research was restricted to the Western Region of The Gambia, as other areas of the country are farther away from the major population centres and, therefore, had less proximity to infrastructure services.

³ Names of enterprises and villages are absent to maintain anonymity.

Table 2 Description of activities carried out by each type of SMFE

Type of SMFE	Activities
Firewood	Splitting wood from dead trunks, for sale in local markets as fuel wood. These enterprises use resources from community forests.
Ecotourism	Lodging tourists and providing them with various recreational activities based in the forest, in the river and on the traditional culture.
Beekeeping	Installation of wooden boxes used as bee-hives with the purpose of honey (and occasionally wax) production. These boxes are installed in mangroves near the villages.
Handicrafts	Production of furniture (i.e. chairs, tables, beds) from Rhun palm leaves that are collected when they drop. The raw material is not abundant in the community forest, so the owner collects them from a nearby state forest.
Branch-wood	Collecting dead branches from the forest and selling them as fuel wood in local markets. The majority of enterprises do not use resources from community forests.

Data were analyzed using NVivo 8 qualitative software. Information was classified into codes based on the interview protocol and an inductive analysis of the data. The most recurrent and meaningful information was incorporated into each code, and each code was grouped by type of enterprise. In this way, data related to firewood, ecotourism, beekeeping, handicrafts and branch-wood businesses could be independently assessed. Three main themes—tenure reform, capacity building and support, and corruption and illegal activities—emerged from the data inductively, while a fourth theme—regulations—was deductively identified through the literature. These are discussed in the results section below.

Results

The government of The Gambia influences the operations of the case study SMFEs in various ways. Even though this influence varies depending on each type of enterprise in question, four main cross-cutting themes emerged from the analysis: land tenure reform; capacity building and support; regulations; and corruption and illegal activities. The results pertaining to each of these are discussed in turn.

Land Tenure Reform

The government of The Gambia has transferred the ownership rights over some forested areas to local communities through the establishment of community forests.⁴ In accordance with the framework provided by RRI (2009), this tenure reform is indefinite, so long as communities manage forests in sustainable ways. Furthermore, it is exclusive, since local communities have the sole rights to access and control their CF areas, and unambiguous, as villagers acquire ownership over

⁴ The main forest type in Villages A and C is tree and shrub savanna, while in Villages B and D it is a closed forest (Thoma and Camara 2005).

the land and trees and can practice commercial utilization of forest products as established in their CF management plans. The tenure reform process in The Gambia is implemented in three main phases and takes varying amounts of time (in years) to be completed (Forestry Department of The Gambia 2005).

This land tenure reform has directly influenced the development and operations of firewood and ecotourism enterprises. Members from one firewood enterprise explained that it gave them the legal backing to use, extract and commercialize products from the forest. A respondent from the ecotourism camp added that this process empowered villagers to take action against illegal intruders on their forested lands. Firewood enterprises harvest their products directly from these community forest areas and the ecotourism camp uses the forest as an attraction for tourists. For various reasons, the other case study SMFEs, who for the most part are individually-owned, do not use resources directly from CF areas; beekeepers often locate their hives in mangroves, handicrafts producers rely on palm leaves found in state forests and most branch-wood enterprises collect their products from non-CF localities.

Some respondents revealed that tenure reform also influenced local people to manage resources in more sustainable ways. Villagers explained that before the establishment of CFs, they were indifferent about the fate of the forest, which was frequently at the mercy of wild fires and overexploitation. They clarified that when they were granted forest rights, they began to protect their CF areas from illegal intrusions and wild fires. Focus groups with firewood enterprises revealed that they practice selective harvesting and replanting in their forests. Moreover, they recognized that the sustainability of their business depends on the sustainability of the forest. Likewise, some beekeeping entrepreneurs highlighted the connection between the quality of their honey and the degree to which the ecosystem is conserved. Some respondents also explicitly recognized the economic benefits that a well-conserved forest has generated for their livelihoods.

The creation of CFs in The Gambia has also increased the level of involvement and decision-making power of communities. The CF president of one village mentioned that, prior to tenure reform, villagers did not have any voice or power on matters pertaining to forest management. Currently, the situation is different with locals participating in forest assessments, proposing different ways of utilizing forest resources and providing input on the generation and maintenance of the CF management plans. As one respondent stated: “They [Forestry Department] don’t make rules in abstract; they go to people to listen to them and develop the ideas [...]”

Capacity Building and Support

The government of The Gambia, mainly through its Forestry Department, has assisted communities in building and strengthening their capacities related to forest management and enterprise development. In total, seven of the 16 SMFEs involved in this study received some form of training from the government. For example, all of the firewood enterprises have been trained in the Market Analysis & Development (MA&D) methodology, which assisted them in planning and carrying out their operations. In addition, some mentioned being trained on reforestation techniques and other CF-related themes. Likewise, the handicraft entrepreneur

started his enterprise after he received training on two occasions by the Forestry Department. Two beekeeping enterprises mentioned that they received technical assistance for the production of honey, with one being trained with the MA&D methodology. The ecotourism enterprise members also received assistance and advice from different government institutions.⁵ The only enterprises that mentioned not having received any sort of formal training were the branch-wood businesses.

Most of the case study SMFEs have also received different sorts of economic support from the government. Members of the ecotourism enterprise explained that public institutions granted them start-up capital and funds to implement upgrading activities.⁶ Two branch-wood enterprises mentioned the financial support that they received from a government project that provided microcredit,⁷ while the handicrafts entrepreneur explained that the Forestry Department provided him with all of the start-up materials required for his business. In the case of beekeeping enterprises, one respondent indicated that the Forestry Department provided him with bee-hives, while an executive from a beekeeping association explained that this department granted his organization funds to assemble hives and distribute them among farmers. Additionally, the association's premises are located on Forestry Department grounds.

The Forestry Department was constantly mentioned as an important partner for most of the case study SMFEs. One respondent from a firewood enterprise explained that forest management is a combined effort between government and communities. Likewise, an executive from a beekeeping association stated that: "[...] we are working with them hand in hand. [...] Forestry Department is total partnership [...], total partnership." Similarly, three branch-wood enterprises and members of the ecotourism camp acknowledged the Forestry Department as their main partner, and the handicraft producer mentioned that the support he received has been fundamental for the survival of his business.

Regulations

In general, respondents from most of the non-wood SMFEs did not perceive government regulations to be an impediment to their activities. For instance, the ecotourism enterprise members were not able to cite any barriers in the regulatory framework of The Gambia that were hampering their operations. Notably though, while the handicrafts owner had no difficulties related to laws or regulations, he also does not request authorization to collect raw materials. Beekeepers also mentioned the absence of policies regulating their activities. In fact, members from two beekeeping enterprises expressed the need to have more regulations and explained that they feel threatened by competitors that use fire for collecting honey, as this

⁵ These are the National Environmental Agency, the Gambian Tourism Authority and the Forestry Department.

⁶ This community won an environmental award from the National Environmental Agency of The Gambia.

⁷ Respondents explained that this loan was part of the Community Skills Improvement Project, which also provided them with training in literacy issues.

process kills the bees and jeopardizes forest protection. These respondents believed that a guideline allowing only registered producers to commercialize honey could curtail these types of competitors. A representative from the Forestry Department explained that beekeeping is governed by the Forest Act and related regulations. Even though there are no specific clauses that refer to honey production in this policy, the use of fire in forests is regulated.

Focus groups with firewood collectors identified an embargo on timber operations as a constraint. According to a representative from the Forestry Department, this embargo bans the issuance of timber permits and the use of powered saws in Gambian forests. This public agent further explained that it was put into action in 2008, when, due to high product demand, logging became uncontrollable. This policy did not appear to be hampering firewood businesses directly; however, villagers felt perturbed by it because it has impacted on community profits, since log and timber enterprises are no longer able to operate.

Additionally, firewood enterprises expressed frustrations with the length of time that it takes to update their CF management plans; members of Village D mentioned it takes approximately 2 months, while members of Village C stated that they have been waiting for 2 years. Management plans are important as they specify the activities that will be carried out in the forest (e.g. species and quantities to be utilized, harvesting procedures). All community forest committees in The Gambia are required to develop CF management plans every 5 years and a work plan every year. Respondents from Village C went on to explain that, after receiving the community's input, the Forestry Department's field officer was supposed to write a draft of this plan for subsequent validation by the villagers; however, this officer never came back with such a plan. The last evidence of a management plan we could find in Village C dates from the period 2000–2005. This was considered to be problematic for the communities because it limits their ability to plan and carry out certain activities. Members from one firewood enterprise explained that every time they wish to harvest, they need authorization from the Forestry Department's field officer. Additionally, the absence of this document impeded one enterprise from accessing credit, since a plan was requested as a guarantee. Respondents pointed out that, while they were able to fulfill all of the other requirements to access credit from financial institutions, a lack of an updated CF management plan was a real impediment.

Corruption and Illegal Activities

Enterprises that deal with the transportation of wood-related products generally face inconveniences at road control points. Two out of three firewood enterprises revealed that police and forestry officers located at road checkpoints often ask for illegitimate compensation. Participants in one focus group explained: “[...] the police even with all their [SMFEs’] clean documents [...] would still request that they [SMFEs] give them something [...]. Sometimes at every checkpoint you have to drop 200 Dalasi.⁸” This corruption problem was considered by participants in one

⁸ The currency exchange at the time of the study was 26.35 Gambian Dalasi per 1 US Dollar.

focus group to be a major constraint facing their business. This situation was confirmed by the executive of one association who surmised that road officers lack adequate information and knowledge about the CF implementation and, as a result, do not recognize the validity of CF licenses.

Six out of seven branch-wood enterprises who, for the most part, do not harvest their products in CF areas, face similar problems during transportation. Most respondents revealed that they have bribed police and forestry officers to allow for the movement of goods through control points. In this study, it was not always clear which branch-wood enterprises had valid permits to operate and which ones did not. Nevertheless, some respondents explained that regardless of whether or not they have valid licenses, they still face similar problems when transiting through checkpoints. As one branch-wood entrepreneur stated: “It will not be too much, but they [officers at road control points] will still ask [for money]. That’s what they live on [...]. Even if you have a license you have to drop something to them.” In fact, one enterprise owner revealed that corruption at road control points effectively discouraged her from renewing her permit. Another respondent mentioned that this problem has led her to trade products in and around her village instead of transporting them to the main urban markets.

Another form of corruption, illegal competition, was considered to be a major problem for firewood businesses. Participants from two focus groups explained that illicit traders can reduce their sale prices significantly, thus distorting prices in the firewood market. This represents a significant challenge because CF firewood producers have agreed to prevent the sale of their products at artificially low prices by maintaining fixed prices as a mechanism to increase their profits. This situation is aggravated by the fact that, unlike the legally operating enterprises in this study, illegal competitors do not distribute 15% of their profits to the National Forest Fund of the Forestry Department.⁹

The firewood enterprises were also disturbed by the occurrence of other illegal activities within their CFs. The CF president from one village explained: “Other communities do not have forests [...], so when they need resources, they try to do it illegally.” This situation was considered to be of great concern to some village leaders due to the possible repercussions on the long-term sustainability and conservation of the CFs.

Discussion

The government of The Gambia has exerted a positive influence in many of the case study SMFEs in terms of devolving land tenure, promoting capacity building and offering support, and ensuring that regulations do not obstruct local operations. First and foremost, the Forestry Department has played a central role in granting tenure rights to local communities, through the establishment of community forests. Access to forest resources is considered an essential prerequisite for the development of

⁹ The National Forest Fund is used to promote sustainable forest management, community forestry and forest protection in The Gambia.

SMFEs (Thoma and Camara 2005; Kozak 2007; Macqueen 2010), and it has been suggested that SMFEs are more likely to emerge and develop in countries with clear land tenure and access rights for communities and smallholders (Donovan et al. 2006). In The Gambia, this reform gave villagers the legal backing to utilize and commercialize forest products, and it incentivized them to use forested ecosystems in more sustainable ways. It also enabled the implementation of capacity building and support activities that assisted communities in enhancing their managerial and technical skills for effectively managing their forests, while at the same time, deriving income from them. An additional outcome has been the partnerships and continued collaboration between the studied communities and the government, which is especially remarkable in light of the fact that, prior to the establishment of the CFs, relationships were characterized by mistrust, division, and an imposed and non-participatory approach to forest management that was being implemented by the Forestry Department (FAO 2005; Thoma and Camara 2005).

However, what deserves to be highlighted with The Gambian decentralization model—more than the process of land devolution by itself—is the gradual transfer of capabilities and resources that have increased the sense of power and benefits perceived by local people. Decentralization is not effective if it is not accompanied by the development of capacity and technical skills, particularly at the local level (Capistrano and Colfer 2005; Contreras and Peter 2005). Romano (2007) indicates that, in many African countries, shifting responsibilities of forest management to local communities has only been possible by concurrently building the necessary capacities and providing adequate institutional support. This author also states that in The Gambia (and Tanzania as well), “both approaches are rooted in a process of power sharing and capacity building, rather than simply allowing communities increased access to the forest resource” (Romano 2007, p. 15).

While the provision of training does not necessarily equate with improving technical capacity, especially when training is restricted to one-time isolated events, the Gambian government has nonetheless demonstrated its commitment to continuous capacity building by providing access to training for community members engaged in community forestry and by integrating the Market Analysis and Development (MA&D) methodology into community forests (Forestry Department of The Gambia 2005). Our cases illustrate that land tenure clarification and devolution processes are very important; however, in and of themselves, they may not be as effective in delivering the proposed aims of promoting forest conservation and improving quality of life. These efforts should be complemented with capacity building activities and institutional support, similar to the ones that have been provided to the studied communities by The Gambian government and described in this study.

Several enterprises in this study also perceived another strength of The Gambian government to be that existing policies or regulations do not obstruct their operations. Enterprises that deal in non-timber forest products did not perceive government regulations to have impinged on the development of their businesses and they do not appear to be over-regulated. This suggests that, potentially, there is no legislation regulating these type of SMFEs, or if there is, it is rational and,

therefore, does not affect their operations. This study did not delve into identifying and analyzing the specific legislation regulating each studied SMFE.

It should be noted that, while a dearth of excessive legal restrictions is likely a positive trend, a lack of regulation may also be counterproductive. For example, the production of honey can have a negative impact on forests if it is not adequately regulated. Simple and easy to follow norms could discourage rudimentary harvesting with fire; for instance, allowing only registered beekeepers to commercialize honey could serve to incentivize the use of enhanced production methods. Something similar could also occur with handicrafts; the business owner in this study explained that he currently has virtually limitless access to raw materials. If, however, this enterprise increases its production or more villagers pursue this activity over time, raw materials may become increasingly scarce or possibly even exhausted. If this were to occur, sound regulations could be an effective means of promoting sustainable management and active reforestation of, for example, Rhun palm, therefore ensuring the long-term availability of the raw materials. Policies and regulations should be designed and implemented to reflect the attributes of each type of SMFE. For instance, Belcher and Schreckenberg (2007) explain that one of the aspects that limit the competitiveness of non-timber forest products (NTFP) businesses is that they are typically subjected to regulations that are applied to timber products.

Clearly, the government of The Gambia has been an important actor in the generation and development of many SMFEs, primarily through the decentralization of forest management and the provision of institutional support. Nevertheless, many wood-based enterprises also revealed several negative aspects related to the role of the government, that highlight the generally weak enforcement environment in The Gambia.

The first limitation is the time that it takes to update CF management plans. Pulhin et al. (2010) describe how, despite the efforts that some countries have made to simplify their regulations, obtaining approval of management plans is still a difficult and slow process that can take several months or even years. In The Gambia, this constraint is also mentioned by Thoma and Camara (2005) who note that management plans had expired in several communities. In theory, the lack of this updated document should lead to interruptions in the operations of CF enterprises and delays in the marketing of their goods, since these plans are a basic requirement for the harvesting and transport of products. In reality, though, data from the case SMFEs show that, when villagers need to harvest, they only request authorization from the Forestry Department's officer, despite the fact that an updated CF management plan is not in place. As such, decisions regarding the use of the forest are left to the discretion of the forestry officer and community members, which, in turn, can threaten the sustainability of the forest and lead to overexploitation of the resource base. Additionally, it opens up the possibility of illegitimate deals between villagers and forestry staff. Nonetheless, even with the existence of a community forest management document, Camara and Dampha (2006) warn that its implementation must be monitored by the Forestry Department in order to avoid abuse.

Corruption at road checkpoints and the weak enforcement of laws to prevent these occurrences is another challenge confronting SMFEs in The Gambia. The

implications of corruption can be very serious, since it “can place the entire process of community-based enterprises at risk” (FAO 2005, p. 59). Legal traders attempting to manage forests in compliance may become demoralized by having to face constant hurdles and impediments for the transportation of their products. This may have the effect of inducing legal enterprises to change their modes of operation and become informal, as they do not perceive any greater benefits from acting lawfully. Weak enforcement on the part of the government serves to promote illegality by allowing any forest product to be transported irrespective of its legal status. Corruption at road checkpoints has been an ongoing issue in The Gambia, first mentioned by FAO (2005), and our data confirms that this problem is still present and is hampering some of the efforts of enterprises that are attempting to use their forest resources sustainably.

Illegal competition is another issue that requires the attention of the government of The Gambia, again highlighting its weak enforcement capacity. Illegal competition is a major constraint because illegal production and trade of forest-based goods distorts markets with low prices, thus making community forest enterprises less competitive. The situation becomes even more complex because many formal forest-based enterprises have agreed to maintain a fixed price for their products and to share revenues with the government, leading to the production of more expensive goods. Illegal forest products abound in many markets (Donovan et al. 2006) and the problem is so severe in some forest-rich countries that 50 to 90% of forestry activities occur illicitly (Contreras-Hermosilla 2002). Illegality in The Gambia could be closely linked with corruption at road checkpoints, as illegal producers are successful at transporting their products around the country. This problem also speaks to a general lack of enforcement to curb illegal activities in the forest sector (Contreras-Hermosilla 2002). Additionally, it may reflect excessive bureaucracy for some forest policies, as the size of informal sectors is often positively correlated with the amount of regulations in place (Contreras and Peter 2005).

A final negative aspect with respect to the government’s impact on SMFEs and community well-being relates to the embargo on the issuance of timber licenses and the use of chainsaws that is affecting timber and log enterprises in The Gambia. Such bans are not uncommon. Brown et al. (2001) state that one of the reasons that governments implement forestry bans is their inability to effectively monitor logging operations. Pulhin et al. (2010) report that the government in Nicaragua instituted a ban prohibiting certain forestry activities after it was unable to enforce legislation. Thoma and Camara (2005) report that charcoal production was banned in The Gambia after this activity became unsustainable. Forestry bans rarely achieve the proposed outcomes they were originally created for, such as halting deforestation and ensuring forest conservation (Contreras and Peter 2005). In The Gambia, these prohibitions may have had economic and social implications within the studied communities, as their sources of income (from timber and log enterprises) have been reduced. An additional impact of the embargo is that it also penalizes individuals and groups that are striving to properly manage their forests; for example, it very much restricts the potential operations of community forest enterprises. An alternative to such drastic and unenforceable policy could be the

promotion and expansion of participatory approaches, which have been shown to be an effective means of encouraging a more sustainable use of forests in The Gambia (Thoma and Camara 2005).

In summary, our data show that, while the government of The Gambia has done much to promote the success of SMFEs, important shortcomings with respect to the studied enterprises are occurring around corrupt practices and weak enforcement. Even though these limitations only affect the performance of wood-related enterprises, they may eventually disrupt the operations of other (non-wood) SMFEs since they represent a threat to the overall conservation of the forest. Contreras-Hermosilla (2002) states that, although governments may have a true commitment to enforce the law, they can fail because they do not have adequate resources to execute their duties. Our case studies reflect some of the efforts invested by The Gambian government to improve forest management through the gradual devolution of land tenure to local communities along with the provision of institutional support. However, a lack of sufficient economic resources may be an important factor impeding the application of better enforcement. Thoma and Camara (2005, p. 25) note that the government of this country lacks “substantial financial means” to implement its plans related to sustainable natural resources management. They state that the Forestry Department’s biggest challenge is in obtaining funds for continuing with the implementation of its participatory approaches and they specifically point to the mobility constraints of forestry staff to reach communities. In line with these arguments, Contreras and Peter (2005, p. 53) note that “increasing the efficiency of the public forest administration often requires many more resources than are presently available in most countries.” For example, the Gambian government’s implementation guidelines for CFs stress the need for external funding for establishing basic infrastructure and “a network of operational forest stations and field offices” which are required all over the country (Forestry Department of The Gambia 2005, p. 76).

The Gambia is cited as a promising example of participatory forest management (FAO 2005; Thoma and Camara 2005; Kozak 2007; Macqueen 2010) and as a country where SMFEs are emerging (Donovan et al. 2006). However, more than 90% of forests are still under state control, while less than 7% are community-owned (Lamin et al. 2010).¹⁰ The research presented here provides insight on the circumstances of SMFEs that operate in villages with community-owned forests, however, our findings may not be as applicable to other SMFEs in The Gambia not operating within the context of a community forest. Future research should explore these other types of SMFEs to increase our understanding of the role that the government plays in their development and potential repercussions on forest management across the country. Further research is also recommended in order to identify other underlying causes of the weak enforcement, corruption and illegal activities that were observed in this study, so that viable solutions which address these issues can be discussed.

Finally, as a cautionary note, it is important to acknowledge that interviews and focus groups with individuals from the case study SMFEs were the main sources of

¹⁰ Report prepared in 2010 for the Global Forest Resources Assessment of the FAO. Data corresponds to 2005.

data for this study. Even though some information was triangulated with grey literature and observations, the results are, for the most part, qualitative and based on participants' perceptions and interpretations. Furthermore, public officials and staff from the Forestry Department were not interviewed, so government perspectives were not considered in this research.

Conclusions

The Gambian government has been a central actor in the development of most of the businesses—small and medium forest enterprises—included in this study. Many respondents perceived the government to be a facilitator and a partner, rather than solely a regulatory agent imposing top-down rules. The Forestry Department has implemented a decentralized process that not only involves land tenure devolution, but includes important components such as capacity building and institutional support for communities. Nevertheless, deficient enforcement, coupled with corruption and illegal activities, are challenges still affecting wood-related SMFEs in The Gambia.

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